

SENATE BILL No. 167

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-5-4-1.7; P.L.253-2001, SECTION 3; P.L.253-2001, SECTION 4.

Synopsis: School bonds for retirement or severance liability. Extends the sunset date for issuance of school corporation bonds for retirement or severance liability from December 31, 2003, to December 31, 2004. Provides that the total amount of bonds issued for this purpose may not exceed 2% of the total true tax value of property in the school corporation. Specifies that the school bus replacement fund is one of the funds that the school corporation may reduce in order to satisfy the requirement to reduce its total property tax levy in an amount equal to the levy for debt service on the bonds.

Effective: July 1, 2003; December 31, 2004.

Kenley

January 7, 2003, read first time and referred to Committee on Finance.

C
o
p
y



First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 167

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-5-4-1.7, AS ADDED BY P.L.253-2001,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 1.7. (a) For purposes of this section, "retirement
4 or severance liability" means the payments anticipated to be required
5 to be made to employees of a school corporation upon or after the
6 termination of their employment by the school corporation under an
7 existing or previous employment agreement.
8 (b) In addition to the purposes set forth in section 1 of this chapter,
9 a school corporation may issue bonds to implement solutions to
10 contractual retirement or severance liability. The issuance of bonds for
11 this purpose is subject to the following limitations:
12 (1) A school corporation may issue bonds for the purpose
13 described in this section only one (1) time.
14 (2) The solution to which the bonds are contributing must be
15 reasonably expected to reduce the school corporation's existing
16 unfunded contractual liability for retirement or severance
17 payments, as of June 30, 2001.



C
o
p
y

(3) The amount of the bonds that may be issued for the purpose described in this section may not exceed two percent (2%) of the total ~~assessed valuation~~ **true tax value** of property in the school corporation.

(4) Each year that a debt service levy is needed under this section, the school corporation shall reduce its total property tax levy for the school corporation's transportation, **school bus replacement**, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for the debt service under this section. The property tax rate for each of these funds shall be reduced each year until the bonds are retired.

(c) Bonds issued for the purpose described in this section shall be issued in the same manner as other bonds of the school corporation.

(d) Bonds issued under this section must be issued before December 31, ~~2003~~ **2004**.

(e) Bonds issued under this section are not subject to the petition and remonstrance process under IC 6-1.1-20.

(f) Bonds issued under this section are not subject to the limitations contained in IC 36-1-15.

SECTION 2. P.L.253-2001, SECTION 3, IS REPEALED [EFFECTIVE JULY 1, 2003].

SECTION 3. IC 20-5-4-1.7 IS REPEALED [EFFECTIVE DECEMBER 31, 2004].

SECTION 4. P.L.253-2001, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: SECTION 4. Notwithstanding the repeal of IC 20-5-4-1.7, as ~~added~~ **amended** by this act, the following provisions apply to bonds issued under IC 20-5-4-1.7, as added by this act, before December 31, ~~2003~~ **2004**:

(1) The bonds remain valid and binding obligations of the school corporation that issued them, as if IC 20-5-4-1.7 had not been repealed.

(2) Each year that a debt service levy is needed for the bonds, the school corporation that issued the bonds shall reduce its total property tax levy for the school corporation's other funds in an amount equal to the property tax levy needed for the debt service on the bonds.

C
o
p
y

